



**Lease Agreement/Renewal  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.:** 22  
**AGENDA DATE:** Thu 06/24/2004  
**PAGE:** 1 of 1

**SUBJECT:** Authorize negotiation and execution of an agreement with AGBRI TWO COMMODORE, L.P., Austin, TX, for a nine-month lease renewal of 106,965 square feet of office space in Two Commodore Plaza, located at 206 E. 9<sup>th</sup> Street for use by various City Departments, in an amount not to exceed \$1,734,437.43.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$192,715.27 is available in the Fiscal Year 2003-2004 Operating Budgets of various City departments. Funding for the remaining eight (8) months of the original contract is contingent upon available funding in future budgets.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Public Works  
**DEPARTMENT:**

**DIRECTOR'S**  
**AUTHORIZATION:** Leon Barba

**FOR MORE INFORMATION CONTACT:** Dean Harris, 974-7061; Laura Bohl, 974-7064

**PRIOR COUNCIL ACTION:** 10/20/88 - Lease approval; 2/25/99 - Lease renewal.

**BOARD AND COMMISSION ACTION:** N/A

**PURCHASING:** N/A

**MBE / WBE:** N/A

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The City has occupied 106,965 square feet of lease space at Two Commodore Plaza (TCP) since September 1, 1989. The current lease expires August 31, 2004. A short-term renewal is required from September 1, 2004 through May 31, 2005 to allow time for the relocation of employees currently in Two Commodore Plaza to One Texas Center and the Municipal Building.

The negotiated final and best offer for the nine-month extension is at the same financial terms as the current lease, and is based on \$21.62 per "net useable square foot" annually including parking. This rate is equivalent to the more commonly quoted "net rentable square foot" basis of \$18.38 per square foot annually including parking. Additional extension options, if required, will be dependent upon availability of space in the building at that time. The monthly rent of \$192,715.27 and total cost for the extended term is allocated among the departments that occupy the space. Those departments include Watershed Protection and Development Review, Auditor, Communications and Technology Management, Neighborhood Planning and Zoning, Controller, Purchasing, Telecommunications and Regulatory Affairs, and Human Resources.